THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (b) The Advisory Committee on Flow of Credit to Agriculture and Related Activities from the Banking System set up by the Reserve Bank of India under Chairmanship of Prof. V.S. Vyas had examined various issues relating to agriculture credit and submitted its final report on June 30, 2004.

Several recommendations of the Vyas Committee have been accepted and communicated to the Banks for implementation. These, *inter-alia,* include: (i) waiver of margin/security norms for agricultural loans upto Rs. 50,000/-, and in case of loans for agri-clinics and agri-businesses upto Rs. 5 lakh; (ii) bringing about procedural simplifications; and (iii) financing of oral lessees and landless agricultural labourers throught he Self Help Group and joint Liability Group approach.

Considerable progress has been achieved in some part of the region in devising the land documents with adequate legal backing for collateral to loans such as:-

(i) Mizoram has a system of issuing Land Settlement Certificate (LSC) conferring transferable ownership rights over land holdings.

(ii) This system is followed in two hill districts of Assam and community lands have also been leased on long term basis to private companies.

(iii) The practice of issuing Land Possession Certificate (LPC) is in vogue in Arunachal Pradesh.

(iv) In Nagaland, except in Sema and Konyak areas, land is owned by individuals. With the amendment of Section 162 of the Assam Land and Revenue Regulations, 1886 in 2002, the land can now be mortgaged in favour of any nationalised bank and PSU, provided the transfer of land is made only to indigenous inhabitants of Nagaland.

(v) No land in Tripura is owned by the community, either they are in possession of land owners (patta holders) or in possession of Forest Department (State Government). While the land under patta holders can be transferred to others, for the jhum cultivation in forest, it is possible to issue certificate of land holding by Sub-Divisional Magistrate/Block Development Officer.

(vi) In Meghalaya though legislature had enacted provision for creation of charge on land and mortgage of the same for taking bank loan way back in 1976, its progress remained hindered due to lack of creation of formal land ownership/possession documents.

(vii) In Manipur, only very few pockets of hill areas have been surveyed and pattas have been issued by government on which mortgages can be created. In the rest of the hill areas issue of LPC has not yet taken place.

Gross NPAs of banks

510. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) the gross Non-Performing Assets (NPAs) of the banks in the country;

(b) the specific reasons for NPAs;

(c) why Government is not contemplating action against such defaulters; and

(d) the bank-wise NPAs in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL) (a) and (d) As on 31st March, 2007, the Gross Non-Performing Assets (NPAs) of Scheduled Commercial Banks (SCBs) stood at Rs. 50,552 crore. A statement indicating bank-wise details of Gross NPAs of SCBs is given in the Statement. (*See* below)

(b) The factors responsible for NPAs, *inter-alia,* include diversion of funds by the borrower and wilful default in repayment, deficiency in credit appraisal and supervision, inefficient management of the unit financed, poor follow up and monitoring, unviability or sickness of the unit due to change in technology demand pattern and other policy etc., non-completion of project due to cost, time, overruns and other factors, such as non-availability of raw materials etc., labour problems,natural calamities, delay in disposal by courts of suits filed by banks, etc. However, the banks monitor their loan accounts at various levels and take appropriate corrective action, on an ongoing basis, to arrest slippages to NPA category.

(c) Reserve Bank of India (RBI) and the Government of India have taken various steps to improve assets quality of the banks which, *inter-alia*, include prescribing prudential norms for provisioning and classification of non-performing assets, guidelines for prevention of slippages, introduction of Corporate Debt Restructuring mechanism. One Time Settlement schemes, enactment of (i) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, (ii) the Credit Information Companies (Regulation) Act, 2005, and (iii) the Recovery of Debts due to Banks and Financial Institutions (DRT) Act, 1993, etc. Due to concerted efforts, the net NPAs of the SCBs have declined from 4.4% of Net Advances as on 31st March, 2003 to 1.0% as on 31st March, 2007.

Statement

Details of Gross Non-Performing Assets of Scheduled Commercial Banks as on 31st March, 2007

Sl. No.	Bank Name	Gross NPA
1	2	3
	Public Sector Banks	
1.	Allahabad Bank	1094
2.	Andhra Bank	397
3.	Bank of Baroda	2092
4.	Bank of India	2100
5.	Bank of Maharashtra	820
6.	Canara Bank	1493
7.	Central Bank of India	2572
8.	Corporation Bank	625
9.	Dena Bank	744
10.	IDBI Ltd.	1232
11.	Indian Bank	546

1	2	3
12.	Indian Overseas Bank	1120
13.	Oriental Bank of Commerce	1454
14.	Punjab & Sind Bank	291
15.	Punjab National Bank	3391
16.	Syndicate Bank	1560
17.	UCO Bank	1506
18.	Union Bank of India	1873
19.	United Bank of India	817
20.	Vijaya Bank	564
21.	State Bank of Bikaner & Jaipur	463
22.	State Bank of Hyderabad	351
23.	State Bank of India	9998
24.	State Bank of Indore	294
25.	State Bank of Mysore	384
26.	State Bank of Patiala	524
27.	State Bank of Saurashtra	128
28.	State Bank of Travancore	540
	Private Sector Banks	
29.	AXIS Bank Ltd.	411
30.	Centurion Bank of Punjab Ltd.	318
31.	Development Credit Bank Ltd.	146
32.	HDFC Bank Ltd.	645
33.	ICICI Bank Ltd.	4126
34.	Indusind Bank Ltd.	343
35.	Kotak Mahindra Bank Ltd.	282
36.	Yes Bank Ltd.	0
37.	Bank of Rajasthan Ltd.	121
38.	Bharat Overseas Bank Ltd.	0
39.	Catholic Syrian Bank Ltd.	129
40.	City Union Bank Ltd.	87
41.	Dhanlakshmi Bank Ltd.	96
42.	Federal Bank Ltd.	451
43.	ING Vysya Bank Ltd.	126
44.	Jammu & Kashmir Bank Ltd.	502
45.	Karnataka Bank Ltd.	387
46.	Karur Vysya Bank Ltd.	203
47.	Lakshmi Vilas Bank Ltd.	131
48.	Lord Krishna Bank Ltd.	0

1	2	3
49.	Nainital Bank Ltd.	16
50.	Ratnakar Bank Ltd.	38
51.	SBI Commercial & International Bank Ltd.	11
52.	Sangli Bank Ltd.	77
53.	South Indian Bank Ltd.	321
54.	Tamilnad Mercantile Bank Ltd.	191
55.	United Western Bank Ltd.	0
	Foreign Banks	
56.	ABN AMRO Bank N.V.	101
57.	Abu Dhabi Commercial Bank Ltd.	40
58.	American Express Bank Ltd.	22
59.	Antwerp Diamond Bank NV	0
60.	Arab Bangladesh Bank	0
61.	BNP Paribas	39
62.	Bank International Indonesia	0
63.	Bank of America N.T. & S.A.	1
64.	Bank of Bahrain & Kuwait BSC	37
65.	Bank of Ceylon	29
66.	Bank of Nova Scotia	18
67.	Barclays Bank Plc	0
68.	Calyon Bank	3
69.	China Trust Commercial Bank	3
70.	Citibank N.A.	694
71.	Deutsche Bank (Asia)	12
72.	Development Bank of Singapore Ltd.	0
73.	Hongkong & Shanghai Banking Corporation Ltd.	395
74.	JP Morgan Chase Bank, National Association	62
75.	Krung Thai Bank pcl	0
76.	Mashreq Bank PSC	0
77.	Mizuho Corporate Bank, Ltd.	7
78.	Oman International Bank S.A.O.G.	155
79.	Shinhan Bank	0
80.	Societe Generale	3
81.	Sonali Bank	0
82.	Standard Chartered Bank	800
83.	State Bank of Mauritus Ltd.	0
84.	The Bank of Tokyo-Mitsubishi UFJ. Ltd.	0
	TOTAL:	50,552